THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d). The Reserve Bank of India (RBI) has reported that no decision has been taken recently by it to reduce the amount of loans to small scale industrial (SSI) sector at concessional rates. However, as a measure of rationalising the interest rate structure lending rates have been linked to the size of the loan way back in 1990. The existing lending rates for SSI are as under :

	Credit Limits	Rate of Interest
(i)	Upto and inclusive of Rs. 25,000/-	12% per annum
(ii)	Over Rs. 25,000/- and upto Rs. 2 lakhs	13.5% per annum
(iii)	Over Rs. 2 lakhs	Banks are free to determine the interest rate.

Bank Frauds

468. SHRIMATI GEETA MUKHERJEE : Will the Minister of FINANCE be pleased to state :

(a) whether in view of the increasing incidents of frauds in nationalised banks, Government propose to set up an independent audit commission for banks on the lines of comptroller and Auditor-General;

(b) if so, the details thereof; and

(c) if not, the other alternate steps proposed to be taken to check such large scale frauds in banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir.

(b) Does not arise

(c) Statutory Audit, Concurrent Audit, on-site inspection and off-site inspection by RBI are some of the checks in existence at present. In order to strengthen the supervision of commerical banks, a Board of Financial Supervision has been set up by the Reserve Bank of India. The existing system relating to the formulation of audit policy and appointment of auditors is consistent with international standards. Audit Committees of the Boards of public sector banks examine cases of frauds, problems of house keeping which may lead to frauds, inspections, internal control Systems and follow-up action on RBI's inspection reports. In addition, the Board for Financial Supervision has set up a sub-committee on Audit to determine the criteria for appointment of auditors and for strengthening the Concurrent Audit system.

[Translation]

Illegal Extraction of Coal

469. PROF. RITA VERMA : Will the Minister of COAL be pleased to state :

(a) the number of complaints received by the Government regarding illegal extraction of coal from the closed mines of BCCL and the number of cases registered with the police stations during the last three years;

(b) the reasons for closure of the above mentioned mines and the time by which these are lying closed; and

(c) the action taken against the persons responsible for such illegal extraction of coal?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) As per the information received from Coal India Limited, there has been no illegal extraction of coal from the mines closed during the last three years in Bharat Coking Coal Limited (BCCL). Therefore, no case of illegal extraction of coal from the closed mines was registered with the police stations by BCCL and no action was taken against the persons responsible for this type of illegal extraction.

(b) and (c). Does not arise in view of answer to part (a) of the question.

[English]

Pension Scheme for Employees of L.I.C.

470. SHRI VIJAY PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether the Life Insurance Corporation has introduced a pension scheme for its employees;

(b) if so, the details and the date of its introduction;

(c) the categories of employees covered under this scheme;

(d) whether the pre-1986 retirees have not been covered under this scheme;

(e) whether the Government have received any representation for extending the pension scheme to pre-1986 retirees; and

(f) if so, the reaction of the Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) The Scheme was introduced with effect from 1.11.1993 with an option to those retiring between 1.1.1986 and 1.11.1993 to join the Scheme after returning the benefits paid, with interest. The details are contained in the LIC (Employees) Pension Rules, 1995

which were published in Extra-Ordinary Gazette on 28.6.1995. These Rules were laid on the Table of the House on 8.12.1995.

(c) The Scheme covers all the employees of LIC retiring or dying after the prescribed dates.

(d) Yes, Sir.

(e) and (f). Yes, Sir. The cut off date of 1.1.1986 was adopted on the line of the commercial banks as well as the RBI and on the basis of an understanding reached by the LIC management with its employees' unions. Further, while the Pension Scheme was being finalised, LIC had given to understand that it would not be possible for it to trace the records of those employees who had retired before 1.1.1986. In view of the reasons stated above it would be difficult for the Government to extend the cut-off date beyond 1.1.1986.

[Translation]

Industries based on Agriculture, Forest and Mines

471. SHRI DATTA MEGHE : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government propose to set up industries based on Agriculture, forests and mines in the country;

(b) if so, the details thereof;

(c) whether the State Governments have sent any proposal to the Union Government for approval in this regard;

(d) if so, the details thereof, State-wise; and

(e) the decision taken by the Government till date in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). Under the liberalised industrial policy, it is for the entrepreneurs to propose to set up industries in any sector, including industries based on agriculture, forests and mines. During the period January, 1994 to October, 1996, a total number of 389 Letters of Intent were granted under Industries (Development and Regulation) Act, 1951 for setting up industries based on agriculture, forests and mines in the country.

(c) to (d). 15 Industrial Licence applications were received from the State Governments i.e. from Karnataka, Madhya Pradesh, Orissa, Tamil Nadu and Uttar Pradesh for setting up industries based on agriculture, forest and mines. Out of the above, 2 Letters of Intent were granted.

[English]

Under/Over Invoicing

472. SHRIMATI MEIRA KUMAR : Will the Minister of FINANCE be pleased to state :

(a) whether in the light of recent discovery of over invoicing of imports and under invoicing of export by ITC, the measure the Government have taken or proposed to be taken to check this evil from the import/export trade; and

(b) the number of such cases involving more than rupees Ten Lakhs seized during the last three years?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Government has specialised intelligence and investigation agencies, such as the Directorate of Revenue Intelligence and the Enforcement Directorate, which are functioning at the national level, to detect such cases of over invoicing of imports and under-invoicing of exports. These agencies function in addition to Special Investigation Branches in the Custom Houses who also detect and investigate such cases at the points of entry/exit of goods in to/out of the country. All these agencies are empowered to take suitable action under the existing laws, such as the Customs Act, 1962 and the Foreign Exchange Regulation Act, 1973 so as to punish the defaulters.

(b) The information is being collected and will be laid on the Table of the House.

Performance of SCICI

473. SHRI SHANTILAL PARSOTAMDAS PATEL :
SHRI DINSHA PATEL :

Will the Minister of FINANCE be pleased to state :

(a) the main objectives for setting up of the Shopping Credit and Investment Company of India (SCICI);

(b) whether the said company failed to perform the job entrusted to it by the Government; and

(c) if so, what was the performance of the company during the last three years and the remedial action which have been taken by the Government to effect improvement in the recovery of outstanding loans?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) SCICI was set up to continue the activity of lending to and developing the Indian Marine industries of shipping and fishing after the abolition of the erstwhile Shipping Development Fund Committee (SDFC). In order to safeguard against the risks associated with exclusive lending to shipping and fishing industries, SCICI later on, diversified its portfolio into areas like infrastructure and general industry. This has helped SCICI increase its profitability and also the borrowing capability to and its shipping activities. It was also assigned the job of managing the assets and